CLASSIFICATION

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THIS IS UNEVALUATED INFORMATION

SOURCE

Wen-hui-pao.

DENIES USSR EXPLOITATION OF CHINA BRISTLE MARKET

CALLS US REPORT UNTRUE -- Hong Kong Wen-hui-pao, 18 Mar 50

A report from the US Information Service (mei-kuo hsin-wen-ch'u) in Washington, dated 14 March 1950, states that the USSR has been making a huge profit by buying up Chinese hog bristles at low rates and reselling them to the US. Persons familiar with the commerce picture label this report as groundless.

In 1949, the USSR took 65.8 percent of the hog bristles exported from North -China; the US took 19.07 percent. The reason China's hog-bristle trade with the USSR developed so briskly in 1949 was that the Soviet Union, willing to cooperate, made agreements to take more than half of China's hog-bristle export, while the US imperialists, suspicious of New China, held icwn the market price, plotting to cut off China's foreign market in hog bristles and by their accusations, to jeopardize the friendly relations between the USSR and China. The USSR attitude has reduced to insignificance this subversive scheme to destroy China's foreign trade.

The fact that the US could, even though it does not, buy hog bristles directly from North China or Hong Kong instead of from the Soviet Union renders the report patently false. US prices for hog bristles are far below what they should be, which proves that the US is attempting to hold the market price down and that the US does not need a large quantity of hog bristles at present.

HONG KONG HOG-BRISTLE MARKET SLOW -- Hong Kong Wen-hui-pao, 18 Mar 50

Since the Chinese trade authorities instituted the centralized marketing plan in 1949, the amount of hog bristles shipped into Hong Kong from all areas has been smaller than before, but, according to reliable data, Hong Kong's imports for January 1950 were 1,080 piculs valued at 5,756,600 yuan, and the January exports were 4,303 piculs valued at 13,651,197 yuan. Most of the exports went to the US: approximately 3,745 piculs with a total value of 12,721,702 yuan. This figure of over 10 million yuan is not very large, but compares favorably with other export items.

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According to a responsible person in a certain Hong Kong commercial firm, at present the Hong Kong hog-bristle market is in ba. shape. Since hog bristles come in from North China in such small quantities, Hong Kong has been unable to contract business with any country for some time. Hong Kong has been shipping hog bristles to the US for several months, but all of this has been private shipments for small commercial firms to branch firms in the US, where they are being held for a rise in the market, and these shipments do not constitute transactions between individual firms and the US. Most of the hog bristles now coming into Hong Kong are from Chungking and Hankow.



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